

GAS FLARING

December 12, 2018

Company	Wells Flaring over 100	Wells Flaring over 100 w/o Exception	Current Exceptions (over 100)	Exception Requests	Wells over 100 Hooked to Pipeline
Kraken	5	3	2	4	4
Petro-Hunt	3	1	2	1	0
Whiting	1	1	0	1	0
Totals	9	5	4	6	4

Flaring Requests

Summary

There are 9 wells flaring over 100 MCFG per day based on current production numbers.

4 of the 9 wells have approved exceptions due to distance, pipeline capacity issues, or time to connection.

There are 6 exceptions requested at this time.

Kraken – approved 6 months

Rowin 17-8 #1H – API #25-083-23350, 26N-59E-21

1. Flaring 285 MCF/D.
2. Completed: 8/2018.
3. Estimated gas reserves: 513 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.

Kai 16-9 #1H – API #25-083-23349, 26N-59E-21

1. Flaring 196 MCF/D.
2. Completed: 6/2018.
3. Estimated gas reserves: 526 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.

Dagney 21-28 #1H – API #25-083-23348, 26N-59E-21

1. Flaring 275 MCF/D.
2. Completed: 6/2018.
3. Estimated gas reserves: 618 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Contracted/connected with ONEOK Rockies Midstream, Kraken has had very limited success selling gas into the line due to sales line pressure.

Della 14-23 #1H – API #25-085-21985, 27N-57E-11

1. Flaring 107 MCF/D.
2. Completed: 4/2018.
3. Estimated gas reserves: 483 MMCF.
4. Proximity to market: Connected to pipeline.
5. Flaring alternatives: None.
6. Amount of gas used in lease operations: 6 MCF/D.
7. Justification to flare: Connected to pipeline in June, Kraken has had very limited success selling gas into the line due to sales line pressure.

Petro-Hunt- approved 12 months

Boje Farms 19-54 – API #25-021-21184, 19N-54E-17

1. Flaring 115 MCF/D.
2. Completed: 2/2011.
3. Proximity to market: >25 miles pipeline.
4. Estimated gas price at market: ~\$2/MCF.
5. Estimated cost of marketing the gas: ~\$3.2 million.
6. Flaring alternatives: None.
7. Amount of gas used in lease operations: 25-30 MCF/D.
8. Justification to flare: Uneconomic to connect due to lack of infrastructure in the area.

Whiting Oil & Gas – approved 6 months

Skov 31-27-3H – API #25-083-23295, 25N-59E-27

1. Flaring 103 MCF/D.
2. Completed: 1/2015.
3. Estimated gas reserves: 441 MMCF.
4. Proximity to market: 12,500 ft to pipeline.
5. Estimated gas price at market: ~\$2.63/MCF.
6. Estimated cost of marketing the gas: ~\$200,000.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 2 MCF/D.
9. Justification to flare: Insufficient compression capacity on Oneok's system in this area